



COUNTY OF LOS ANGELES TREASURER AND TAX COLLECTOR



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MARK J. SALADINO

TREASURER AND TAX COLLECTOR

September 20, 2005

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**APPROVAL OF TAX-EXEMPT BONDS FOR THE PURPOSE OF FINANCING
CAPITAL PROJECTS TO BENEFIT CERTAIN HEALTH FACILITIES OWNED
AND/OR OPERATED BY ADVENTIST HEALTH SYSTEM/WEST
(FIRST DISTRICT) (3-VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Adopt a Resolution approving a tax-exempt financing to be issued by the California Statewide Communities Development Authority on behalf of Adventist Health System/West.
2. Ratify a Tax Equity and Fiscal Responsibility Act (TEFRA) hearing held by the County Treasurer and Tax Collector.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Adventist Health System/West, White Memorial Medical Center and certain other affiliates of Adventist Health System/West, each a nonprofit religious corporation (collectively the "Health Institutions"), submitted a request to the California Statewide Communities Development Authority (the "Authority") to issue tax-exempt bonds in an amount not to exceed \$175,000,000. The proceeds will be used by the Health Institutions to finance or refinance the costs of acquisition, construction, improvement, equipping, renovation, rehabilitation, remodeling and other capital projects of certain health facilities owned and/or operated by the Health Institutions, including White Memorial Medical Center located at 1720 Cesar E. Chavez Avenue in the County of Los Angeles.

Implementation of Strategic Plan Goals

This action supports the County's Strategic Plan Goal of Organizational Effectiveness through collaborative actions between the County and other governmental jurisdictions. It supports the Strategic Plan Goal of Fiscal Responsibility by facilitating the Health Institutions' ability to borrow at favorable tax-exempt rates to enhance health care infrastructure in the County.

FISCAL IMPACT/FINANCING

There will be no fiscal impact to the County or the Authority. Repayment of the bonds will be the obligation of the Health Institutions.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Health Institutions, each a nonprofit religious corporation and an organization as described in Section 501(c)(3) of the Internal Revenue Code (the "Code"), has requested the Authority to issue tax-exempt bonds on its behalf. The County's participation in this financing is limited to the holding of a TEFRA hearing and the Board's approval of the Authority's bond issuance.

Pursuant to the Joint Powers Act, a number of cities, counties, including the County of Los Angeles, and special districts entered into a joint exercise of powers agreement (the "Agreement") in which the Authority was organized. The Authority is authorized by the Agreement to issue bonds, or other forms of indebtedness, to promote economic development and/or to benefit an organization as described under Section 501(c)(3) of the Code. In this instance, the Authority is the conduit issuer on behalf of the Health Institutions. Pursuant to Section 147(f) of the Code, this transaction must be approved by your Board as the governing body having jurisdiction over the area in which the project is located. In addition, the Code requires that a TEFRA hearing be held to give the public an opportunity to comment on the transaction. This hearing was duly noticed and held on September 20, 2005 in the Treasurer and Tax Collector's Office.

In accordance with Board policies regarding conduit financings, we have secured the appropriate clearances for this financing from applicable County departments and confirmed that there is no County obligation for debt repayment. We have further confirmed that there will be public benefits to the local community from an enhanced White Memorial Medical Center that can treat overflow patients when the emergency room at LAC+USC Medical Center is at capacity. This medical center will play a key role in providing a broad range of medical services to meet the many needs of the local community.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

None

CONCLUSION

Upon adoption, the Department will need two (2) original executed copies of the adopted Resolution.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mark J. Saladino", written over a horizontal line.

MARK J. SALADINO
Treasurer and Tax Collector

MJS:GB:DB:JW
Z:Board:white memorial proj

Attachments

c: Chief Administrative Officer
County Counsel
Auditor-Controller

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES APPROVING A TAX-EXEMPT BOND FINANCING TO BE ISSUED BY THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY TO BENEFIT ADVENTIST HEALTH SYSTEM/WEST AND CERTAIN AFFILIATES

WHEREAS, Adventist Health System/West, White Memorial Medical Center and certain other affiliates of Adventist Health System/West, each a nonprofit religious corporation (collectively, the "Health Institutions"), have requested that the California Statewide Communities Development Authority (the "Authority") issue bonds in one or more series in an aggregate principal amount not to exceed \$175,000,000 (the "Bonds") for the purpose of, among other things, financing or refinancing the acquisition, construction, improvement, equipping, renovation, rehabilitation, remodeling and other capital projects (the "Financing") of certain health facilities owned or operated by the Health Institutions, including White Memorial Medical Center (the "Facilities") located in the County of Los Angeles (the "County");

WHEREAS, pursuant to Section 147(f) of the Internal Revenue Code of 1986 (the "Code"), the issuance of the Bonds by the Authority must be approved by the County because the Facilities are located within the territorial limits of the County;

WHEREAS, the Board of Supervisors of the County (the "Board") is the elected legislative body of the County and is one of the applicable elected representatives required to approve the issuance of the Bonds under Section 147(f) of the Code;

WHEREAS, the Authority has requested that the Board approve the issuance of the Bonds by the Authority in order to satisfy the public approval requirement of Section 147(f) of the Code and the requirements of Section 9 of the Amended and Restated Joint Exercise of Powers Agreement, dated as of June 1, 1988 (the "Agreement"), among certain local agencies, including the County;

WHEREAS, the Authority has also requested that the Board approve, for purposes of Section 9 of the Agreement, the issuance of any bonds to be issued by the Authority to refund the Bonds; and

WHEREAS, the County shall not incur any pecuniary liability in connection with the issuance of the Bonds; and

WHEREAS, pursuant to Section 147(f) of the Code, the Treasurer and Tax Collector of the County has, following notice duly given, held a public hearing regarding the issuance of the Bonds, and the Board now desires to approve the issuance of the Bonds by the Authority;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Supervisors of the County of Los Angeles as follows:

Section 1. The Board hereby approves the issuance of the Bonds by the Authority. It is the purpose and intent of the Board that this Resolution constitute approval of the issuance of the Bonds by the Authority, for the purposes of (a) Section 147(f) of the Code by the applicable elected representative of the governmental unit having jurisdiction over the area in which the Facilities are to be located, in accordance with said Section 147(f) and (b) Section 9 of the Agreement, which shall also be deemed satisfied for any Authority bonds issued to refund the Bonds.

Section 2. The officers of the County are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this Resolution and the financing transaction approved hereby.

Section 3. This Resolution shall take effect immediately upon its adoption.


The foregoing resolution was on the ____ day of September, 2005, duly adopted by the Board of Supervisors of the County of Los Angeles and *ex officio* the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.

VIOLET VARONA-LUKENS
Executive Officer-Clerk of the Board of Supervisors
of the County of Los Angeles

By: _____
Deputy

Approved as to form:

RAYMOND G. FORTNER, JR.
County Counsel

By: 
Principal Deputy County Counsel